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LISTING STATEMENT No. 2262

LISTED MAY 26, 1967

1,675,431 common shares without par value of which 14,400 shares are subject to issuance.

Ticker abbreviation "CGC"

Dial ticker number 1501

Post section 5.1

## THE TORONTO STOCK EXCHANGE

### LISTING STATEMENT

## CONSUMERS GLASS COMPANY LIMITED

Incorporated under the Laws of Canada by Letters Patent dated October 4, 1917

### CAPITALIZATION AS AT APRIL 30, 1967

#### SHARE CAPITAL

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without par value .....	1,900,000	1,661,131	1,675,531*
*of which 14,400 are subject to issuance.			

#### FUNDED DEBT

##### First Mortgage Bonds:

5% Sinking Fund Bonds, Series A, due September 1, 1968 .....	\$ 3,000,000	\$ 591,000	Nil
5½% Sinking Fund Bonds, Series B, due June 15, 1978 .....	2,500,000	2,025,000	Nil
7¼% Sinking Fund Bonds, Series C, due September 30, 1986 .....	3,500,000	3,500,000	Nil
6% Bank Debenture .....	6,000,000	6,000,000	Nil
6¾% Debentures .....	10,000,000	6,176,000	Nil

#### 1. APPLICATION

Consumers Glass Company, Limited (hereinafter called the "Company") hereby makes application for the listing on the Toronto Stock Exchange of 1,675,531 common shares without nominal or par value in the capital stock of the Company, of which 1,661,131 have been issued and are outstanding as fully paid and non-assessable. The remaining 14,400 common shares included in this application have been reserved as follows:

(a) Employees stock option at 95% of market price at date option granted, expiring in 1973 .....	12,000
(b) Stock option to Brockway Glass Co. Inc. conditional on issuance of shares under option in (a) above .....	2,400
	<u>14,400</u>

#### 2. HISTORY

The Company was incorporated in 1917 under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, and commenced operations as a manufacturer of glass containers with operating facilities located at Montreal, Quebec. These facilities have since been substantially increased, and in 1953 a new plant was constructed in Toronto. On April 6, 1967 the Company purchased the assets of the Iroquois Glass Division from Sogemines Limited, thus increasing the number of plants operated to three.

#### 3. NATURE OF BUSINESS

The Company is the second largest glass container manufacturer in Canada. It manufactures glass containers in plants at Montreal, Candiach and Toronto and sells them throughout eastern and Central Canada from Newfoundland to Manitoba. Product line consists of bottles and jars in flint (clear), amber and green glass for use in the food, beverage, and drug and chemical industries. In the major market areas in Ontario and Quebec, the Company employs its own salesmen. In other regions, manufacturers' agents are employed. The company currently employs a total of 1,900.



The Company's current capacity is approximately 220,000 tons of molten glass per annum. Following is a summary of the annual output for the years 1960 through 1966:

YEAR ENDED	OUTPUT IN TONS
August 31, 1960 .....	107,581
August 31, 1961 .....	108,534
August 31, 1962 .....	142,923
August 31, 1963 .....	136,532
August 31, 1964 .....	123,944
August 31, 1965 .....	134,088
December 31, 1966 .....	155,807

#### 4. INCORPORATION

The Company was incorporated under the laws of Canada by Letters Patent dated October 4, 1917, with an authorized capital stock consisting of 10,000 shares of \$100 par value stock, of which 5,000 shares were subsequently converted by By-law into 5,000 7% preferred shares. By Supplementary Letters Patent dated July 28, 1928 the 5,000 remaining \$100 par value common shares were converted into 10,000 common shares without nominal or par value and the authorized capital was increased from 5,000 \$100 par value shares of 7% preferred stock and 10,000 common shares without nominal or par value to 5,000 7% preferred shares of \$100 par value and 40,000 common shares without nominal or par value. By Supplementary Letters Patent dated December 2, 1935, the 5,000 preferred shares were converted into common shares on the basis of one and a half common shares for each preferred share. Following this there were 31,957 shares outstanding. By Supplementary Letters Patent dated March 30, 1940 the 47,500 common shares were subdivided into 475,000 common shares without nominal or par value of which 319,570 shares were issued.

In 1961 and 1962, 2,075 shares were issued under the Company's stock option plan increasing the total outstanding to 321,645 shares at August 31, 1962.

On August 31, 1963 by Supplementary Letters Patent the common stock was subdivided into 1,900,000 shares without nominal or par value.

During the 1962-63 fiscal year, the equivalent of 71,708 new common shares were issued under option agreements. Additional issues of shares totalled 46,000 in 1963-64, 114,381 in 1964-65, 32,735 in the four month period ended December 31, 1965 and 95,572 in 1966. In 1967 an additional 12,574 shares were issued bringing the number of shares currently outstanding to a total of 1,661,131.

In September, 1966 Supplementary Letters Patent were issued to the Company which did not affect its capitalization.

#### 5. SHARE ISSUES DURING PAST TEN YEARS

##### COMMON SHARES WITHOUT PAR VALUE:

DATE OF ISSUE	No. OF SHARES ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUE
Mar. 5, 1962 .....	8,300*	4.55	\$ 37,765.00	Employee Stock Option
Sept. 10, 1962 .....	4,400*	4.55	20,020.00	" "
Sept. 10, 1962 .....	528*	7.32	3,864.96	" "
Oct. 5, 1962 .....	3,300*	4.55	15,015.00	" "
Feb. 8, 1963 .....	43,200*	5.25	226,800.00	Brockway Glass Company, Inc. Option
Apr. 25, 1963 .....	7,200*	5.25	37,800.00	" "
July 18, 1963 .....	7,200*	5.25	37,800.00	" "
Aug. 2, 1963 .....	4,400*	4.55	20,020.00	Employee Stock Option
Aug. 2, 1963 .....	952*	6.25	5,950.00	" "
Aug. 2, 1963 .....	528*	7.32	3,864.96	" "
Oct. 15, 1963 .....	3,600	4.55	16,380.00	" "
Oct. 25, 1963 .....	9,800	5.25	51,450.00	Brockway Glass Company, Inc. Option
Jan. 27, 1964 .....	8,700	5.25	45,675.00	Brockway Glass Company, Inc. Option
Apr. 22, 1964 .....	6,500	5.25	34,125.00	" "
July 31, 1964 .....	7,500	5.25	39,375.00	" "
Aug. 31, 1964 .....	9,900	5.25	51,975.00	" "
Nov. 5, 1964 .....	10,000	5.75	57,500.00	" "
Dec. 15, 1964 .....	4,400	4.55	20,020.00	Employee Stock Option
Dec. 31, 1964 .....	7,200	4.55	32,760.00	" "
Dec. 31, 1964 .....	1,296	7.32	9,486.72	" "
Dec. 31, 1964 .....	1,485	6.25	9,281.25	" "
Feb. 5, 1965 .....	90,000	5.75	517,500.00	Brockway Glass Company, Inc. Option
Sept. 16, 1965 .....	24,000	6.25	150,000.00	" "
Nov. 1, 1965 .....	1,584	7.32	11,594.88	Employee Stock Option
Nov. 1, 1965 .....	4,400	4.55	20,020.00	" "
Nov. 1, 1965 .....	2,751	6.25	17,193.75	" "
Feb. 3, 1966 .....	22,000	6.25	137,500.00	Brockway Glass Company, Inc. Option
Apr. 5, 1966 .....	73,572	6.25	459,825.00	" "
Oct. 31, 1966 .....	1,581	6.25	9,881.25	Employee Stock Option
Apr. 19, 1967 .....	12,179	6.25	76,118.75	Brockway Glass Company, Inc. Option
Apr. 19, 1967 .....	395	13.25	5,233.75	" "

Note: \*above figures adjusted to give effect to subdivision of common shares on a 4 for 1 basis which took place in August, 1963.



6. STOCK PROVISIONS AND VOTING POWERS

Each common share carries one vote at all meetings of the shareholders.

7. DIVIDEND RECORD

DATE PAYABLE	RATE	GROSS
29th Feb. 1956	.37½ ¢	\$119,838.75
31st May 1956	.37½ ¢	119,838.75
31st Aug. 1956	.37½ ¢	119,838.75
30th Nov. 1956	.37½ ¢	119,838.75
28th Feb. 1957	.37½ ¢	119,838.75
31st May 1957	.37½ ¢	119,838.75
30th Aug. 1957	.37½ ¢	119,838.75
29th Nov. 1957	.37½ ¢	119,838.75
28th Feb. 1958	.37½ ¢	119,838.75
30th May 1958	.37½ ¢	119,838.75
29th Aug. 1958	.37½ ¢	119,838.75
28th Nov. 1958	.37½ ¢	119,838.75
27th Feb. 1959	.37½ ¢	119,838.75
29th May 1959	.37½ ¢	119,838.75
31st Aug. 1959	.37½ ¢	119,838.75
30th Nov. 1959	.37½ ¢	119,838.75
29th Feb. 1960	.37½ ¢	119,838.75
31st May 1960	.37½ ¢	119,838.75
31st Aug. 1960	.37½ ¢	119,838.75
30th Nov. 1960	.20 ¢	63,914.00
28th Feb. 1961	.20 ¢	63,914.00
31st May 1961	.20 ¢	63,914.00
31st Aug. 1961	.20 ¢	63,914.00
30th Nov. 1961	.20 ¢	63,914.00
28th Feb. 1962	.20 ¢	63,914.00
31st May 1962	.20 ¢	64,329.00
31st Aug. 1962	.20 ¢	64,329.00
30th Nov. 1962	.20 ¢	64,740.40
28th Feb. 1963	.20 ¢	66,900.40
31st May 1963	.20 ¢	67,260.40
31st Aug. 1963	.20 ¢	67,914.40
30th Nov. 1963	.05 ¢	68,584.40
29th Feb. 1964	.05 ¢	69,019.40
31st May 1964	.05 ¢	69,344.40
31st Aug. 1964	.05 ¢ plus .05 ¢	139,438.80
30th Nov. 1964	.05 ¢	70,714.40
28th Feb. 1965	.05 ¢	75,933.45
31st May 1965	.05 ¢	75,933.45
31st Aug. 1965	.05 ¢ plus .05 ¢	151,866.90
30th Nov. 1965	.07 ¢	108,598.28
28th Feb. 1966	.07 ¢	110,138.28
31st May 1966	.07 ¢	115,288.32
31st Aug. 1966	.07 ¢	115,288.32
30th Nov. 1966	.07 ¢	115,398.99
28th Feb. 1967	.07 ¢	115,398.99

8. RECORD OF PROPERTIES

Consumers Glass Company Limited owns and operates three plants strategically located to serve the major Canadian markets.

One of these plants, situated on about 13 acres of land in Ville St. Pierre, in the west end of Montreal, occupies an area of approximately 370,000 square feet. The Company has spent substantial amounts on this plant over the past five years, making it an efficient operation utilizing three glass melting furnaces and twelve glass forming machines.

Its second plant, in the Township of Etobicoke near Toronto, commenced operations in the summer of 1954. This modern operation is situated on a 31 acre site and occupies an area of approximately 490,000 square feet. It contains two glass melting furnaces and twelve glass forming machines. Construction of a third furnace and associated facilities was commenced in the fall of 1966, with completion planned for 1967. This new equipment will increase the total capacity of the plant by approximately 50%.

Both plants are well maintained, and are equipped with railway sidings and bulk material handling and multiple truck loading facilities. These are important assets as the glass industry requires efficient movement of large amounts of bulky materials.

The Company's third plant, recently purchased from Sogemines Limited, is located in Candiac, Quebec, on a 40 acre site. This plant is equipped with three furnaces and 9 glass forming machines.

Conglass Holdings Limited, a subsidiary of Consumers Glass Company Limited, owns the outstanding shares of Brentwood Containers Limited.

Brentwood Containers Limited is a manufacturer of plastic containers. The company presently leases approximately 13,000 square feet of space in Rexdale, Ontario. Production facilities are comprised of an automatic extrusion, vacuum-forming and trim press line, together with necessary tooling and equipment.



## SUBSIDIARY COMPANIES

(a) Conglass Holdings Limited was incorporated under the laws of the Province of Ontario by Letters Patent dated the 10th day of August, 1966, with an authorized capital divided into 5,000 non-voting preference shares with a par value of \$100 each and 60,000 common shares without par value, of which 100 shares have been issued at \$1.00 per share, all of which are beneficially held by Consumers Glass Company Limited.

(b) Brentwood Containers Limited became a wholly-owned subsidiary of Conglass Holdings Limited on October 7, 1966, through the purchase of all of the outstanding shares. This company was incorporated on June 26, 1961 under the laws of the Province of Ontario, with an authorized capital divided into 135,000 non-voting, non-cumulative 6% redeemable preference shares of a par value of \$1.00 each, and 15,000 common shares of no par value, of which 1,500 common shares have been issued at \$1.00 per share, all of which are beneficially held by Conglass Holdings Limited.

## FUNDED DEBT

## CONSUMERS GLASS COMPANY LIMITED

DESCRIPTION OF ISSUE	AGGREGATE AMOUNT AUTHORIZED	PRINCIPAL AMOUNT OUTSTANDING	MATURITY DATE	INTEREST DATES
<i>First Mortgage Bonds:</i>				
5% Sinking Fund Series A .....	\$ 3,000,000	\$ 591,000	Sept. 1, 1968	Sept. 1 March 1
5½ % Sinking Fund Series B .....	2,500,000	2,025,000	June 15, 1978	June 15 Dec. 15
7¼ % Sinking Fund Series C .....	3,500,000	3,500,000	Sept. 30, 1986	Sept. 30 March 31
6% Bank Debenture .....	6,000,000	6,000,000	Demand	Monthly
6¾ % Debentures .....	10,000,000	6,176,000	March 31, 1973	Sept. 30 March 31

(b) *Sinking Fund Payments to Maturity* (First Mortgage Bonds)

YEAR	SERIES A	SERIES B	SERIES C	TOTAL
1967 .....	\$ 91,000			\$ 91,000
1968 .....	500,000			500,000
1969 .....		175,000		175,000
1970 .....		200,000		200,000
1971 .....		200,000	100,000	300,000
1972 .....		200,000	100,000	300,000
1973 .....		200,000	100,000	300,000
1974 .....		200,000	100,000	300,000
1975 .....		200,000	100,000	300,000
1976 .....		200,000	100,000	300,000
1977 .....		200,000	100,000	300,000
1978 .....		250,000	100,000	350,000
1979 .....			250,000	250,000
1980 .....			250,000	250,000
1981 .....			250,000	250,000
1982 .....			250,000	250,000
1983 .....			250,000	250,000
1984 .....			250,000	250,000
1985 .....			350,000	350,000
1986 .....			850,000	850,000
	<u>\$591,000</u>	<u>\$2,025,000</u>	<u>\$3,500,000</u>	<u>\$6,116,000</u>

6¾ % *Debenture Prepayments:*

\$1,000,000 per year from 1968 to 1972, with the balance payable in 1973.

(c) *Security*

- The First Mortgage Bonds are secured by:
  - A first fixed and specific hypothec, mortgage, pledge and charge and cession and transfer of and on all the real and immovable properties of the Company and of and on all the outstanding shares and securities of any subsidiary held by the Company.
  - A first floating charge on the undertaking and all other present and future assets of the Company.
- The 6% Bank Debenture is secured by a second floating charge on the undertaking and all other present and future assets of the Company.
- The 6¾ % Debentures are secured by a third floating charge on the undertaking and all other present and future assets of the Company.

## OPTIONS, UNDERWRITINGS, ETC.

(a) There are outstanding options to employees to purchase 12,000 shares of the common stock of the Company at \$10.91 per share at the rate of 1,200 shares per year from 1963 to 1973 and expiring in 1973.

(b) There is an outstanding option to Brockway Glass Company, Inc. to purchase 2,400 shares of common stock at market value as the above shares in (a) are exercised.

(c) There are no underwriting agreements outstanding.

(d) There are no issued shares of the Company held for the benefit of the Company.



12. LISTING ON OTHER STOCK EXCHANGES

The common shares of the Company have been listed on the Montreal Stock Exchange since 1943.

13. STATUS UNDER SECURITIES ACTS

Particulars of any filing registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

(a) In July, 1953, a copy of a prospectus covering the issue of \$3,000,000 of 5% First Mortgage Bonds, Series A, was filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act 1934, as amended. Appropriate filings were also made with provincial authorities.

(b) In January, 1958, a copy of a prospectus covering the issue of \$2,500,000 of 5½% First Mortgage Bonds, Series B, was filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act. Appropriate filings were also made with provincial authorities.

14. FISCAL YEAR

The fiscal year of the Company was changed from August 31st of each year to December 31st of each year during 1965. This necessitated the issue of a four months report as at December 31st, 1965. The next report of the Company will be issued as at December 31, 1967.

15. ANNUAL MEETINGS

The By-laws of the Company provide that the Annual Meeting of the Company shall be held at such time and place in each year as the Board of Directors shall from time to time determine. The last Annual Meeting of shareholders of the Company was held on April 5, 1967.

16. HEAD AND OTHER OFFICES

The Head Office is located at 258 Second Avenue, Ville St. Pierre, Montreal, Quebec. Executive offices are located at 249 Kipling Avenue South, Toronto 18, Ontario.

17. TRANSFER AGENT

The Transfer Agent of the Company is: The Royal Trust Company, Montreal and Toronto.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar of the Company is: The Crown Trust Company, Montreal and Toronto.

20. AUDITORS

The auditors of the Company are: Touche, Ross, Bailey & Smart, 200 University Avenue, Toronto, Ontario.

21. OFFICERS

The Officers of the Company are:

NAME	OFFICE	ADDRESS
Mr. B. Heward	Chairman of the Board	11 Anwoth Road, Westmount, P.Q.
Mr. B. H. Rieger	Vice-Chairman of the Board	22 Brendan Road, Toronto 17, Ontario
Mr. J. D. Mingay	President	237 Rosedale Heights Drive, Toronto 7, Ontario
Mr. V. S. B. Corbet	Vice President—Operations	85 Princess Ann Crescent, Islington, Ontario
Mr. A. F. Griffiths	Vice-President Marketing & Sales	45 Alcina Avenue, Toronto 4, Ontario
Mr. R. D. Morison	Vice-President and Secretary-Treasurer	1400 Woodeden Dr. N., Port Credit, Ontario

## DIRECTORS

NAME	HOME ADDRESS
Mr. F. R. Daniels	1700 McGregor Street, Montreal, P.Q.
Mr. J. C. Hebert	980 Kenilworth Road, Mount Royal, P.Q.
Mr. F. B. Hess	Brockway, Pa., U.S.A.
Mr. Brian Heward	11 Anwoth Road, Westmount, P.Q.
Mr. C. F. G. Heward	7 Anwoth Road, Westmount, P.Q.
Mr. J. N. Jordan	Box 29, Windy Hill, Piedmont, Terrebonne County, P.Q.
Mr. J. D. Mingay	237 Rosedale Heights Drive, Toronto 7, Ontario
Mr. B. H. Rieger	22 Brendan Road, Toronto 17, Ontario
Mr. R. E. Stavert	557 Grosvenor Avenue, Montreal, P.Q.
Mr. W. P. Walker	20 Avondale Road, Toronto 5, Ontario

## CERTIFICATE

Pursuant to a Resolution duly passed by its Board of Directors, Consumers Glass Company Limited hereby applies for listing of the above mentioned Securities on the Toronto Stock Exchange, and the undersigned Officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

## CONSUMERS GLASS COMPANY LIMITED

J. D. MINGAY, President

R. D. MORISON,  
Vice-President and Secretary-Treasurer

Corporate  
Seal

Distribution of N.P.V. Common stock as of 5th May, 1967.

NUMBER	SHARES
46 Holders of 1 — 24 share lots	573
132 " " 25 — 99 " "	6,171
174 " " 100 — 199 " "	19,035
86 " " 200 — 299 " "	17,705
38 " " 300 — 399 " "	11,940
71 " " 400 — 499 " "	28,540
78 " " 500 — 999 " "	50,233
131 " " 1000 — up " "	1,514,360
<u>756</u> Shareholders	Total shares <u>1,648,557</u>



# FINANCIAL STATEMENTS

CONSUMERS GLASS COMPANY LIMITED  
(Incorporated under the Canada Corporations Act)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1966  
(with comparative figures for December 31, 1965)

ASSETS		1966	1965
CURRENT			
Cash and deposit receipts .....	\$ 687,298		\$ 16,029
Accounts receivable .....	2,133,005		1,255,595
Marketable securities at cost (quoted market value —1966, \$215,490; 1965, \$222, 625) .....	250,000		250,988
Inventories at the lower of cost or market .....	4,882,567		4,792,921
Prepaid expenses .....	203,697		181,511
		\$ 8,156,567	6,497,044
SPECIAL REFUNDABLE TAX .....		76,178	—
FIXED			
Land, buildings, and machinery, at cost .....	23,214,084		19,976,291
Less accumulated depreciation .....	10,673,265		9,613,006
	12,540,819		10,363,285
Unamortized furnace relining costs .....	683,656		497,062
		13,224,475	10,860,347
GOODWILL, at cost .....		526,532	—
		<u>\$21,983,752</u>	<u>\$17,357,391</u>
LIABILITIES			
CURRENT			
Bank indebtedness (secured) .....			\$ 1,119,320
Accounts payable and accrued liabilities .....	\$ 2,234,777		1,846,796
Bond interest .....	81,278		23,487
Income taxes .....	364,468		224,850
Current portion of funded debt .....	291,000		300,000
		\$ 2,971,523	3,514,453
6% BANK LOAN due January 4, 1968 (secured) .....		1,000,000	1,000,000
FUNDED DEBT (Notes 2 and 3) .....		6,275,000	2,950,000
ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEAS .....		2,872,122	2,370,000
SHAREHOLDERS' EQUITY			
CAPITAL STOCK			
Common shares—no par value			
Authorized, 1,900,000 shares (Note 4)			
Issued, 1,648,557 shares (Note 5) .....	3,144,764		2,537,558
RETAINED EARNINGS .....	5,720,343		4,985,380
		8,865,107	7,522,938
		<u>\$21,983,752</u>	<u>\$17,357,391</u>

On behalf of the Board,

J. D. MINGAY, Director

B. H. RIEGER, Director

## AUDITORS' REPORT

THE SHAREHOLDERS,  
CONSUMERS GLASS COMPANY LIMITED

We have examined the accompanying consolidated balance sheet of Consumers Glass Company Limited as at December 31, 1966 and the statements of income, retained earnings and source and use of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and source and use of funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period except for the change in depreciation rates referred to in Note 6, which change we approve.

Toronto, Ontario,  
February 21, 1967.

TOUCHE, ROSS, BAILEY & SMART,  
Chartered Accountants.



CONSUMERS GLASS COMPANY LIMITED  
CONSOLIDATED STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 1966

BALANCE AT DECEMBER 31, 1965 .....	\$ 4,985,380
ADD NET INCOME FOR THE YEAR .....	1,266,230
	<u>6,251,610</u>
DEDUCT:	
Dividends paid .....	\$456,114
Bond issue expense .....	75,153
	<u>531,267</u>
BALANCE AT DECEMBER 31, 1966 .....	<u>\$ 5,720,343</u>

CONSUMERS GLASS COMPANY LIMITED  
CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 1966  
(with comparative figures for the year ended August 31, 1965\*)

	1966	1965
NET SALES .....	\$21,570,323	\$18,262,444
INCOME FROM INVESTMENTS .....	14,042	10,998
	<u>21,584,365</u>	<u>18,273,442</u>
DEDUCT:		
Cost of goods sold, distribution, selling, and admin- istration expense .....	\$17,296,361	15,106,133
Depreciation .....	1,076,221	1,008,449
Amortization of furnace relining costs .....	248,594	159,958
Interest on long term indebtedness .....	283,250	247,744
Directors' fees and salaries .....	73,000	82,667
	<u>18,977,426</u>	<u>16,604,951</u>
INCOME BEFORE TAXES .....	2,606,939	1,668,491
PROVISION FOR INCOME TAXES (including \$500,000 applicable to future years, 1965, \$506,000) .....	1,340,709	862,000
NET INCOME FOR THE YEAR .....	<u>\$ 1,266,230</u>	<u>\$ 806,491</u>

\*Note: The financial year-end of the company was changed in 1965 from August 31 to December 31.

CONSUMERS GLASS COMPANY LIMITED  
CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1966

FOR THE YEAR ENDED DECEMBER 31, 1966

SOURCE OF FUNDS		
Net income for the period .....		\$ 1,266,230
Non cash items included in net income		
Depreciation .....	\$ 1,076,221	
Amortization of furnace relining costs .....	248,594	
Increase in accumulated tax reductions applicable to future years ....	500,000	
		<u>1,824,815</u>
Funds generated from operations .....		3,091,045
Funded debt issued .....		3,750,000
Capital stock issued .....		607,206
Working capital of subsidiary acquired .....		133,318
Disposal of fixed assets .....		<u>9,941</u>
		<u>7,591,510</u>
USE OF FUNDS		
Capital expenditure .....	3,210,570	
Furnace relining costs .....	435,188	
Funded debt retirement .....	425,000	
Dividends .....	456,114	
Acquisition of business and net assets of subsidiary .....	711,500	
Bond issue expense .....	75,153	
Special refundable tax .....	75,532	
		<u>5,389,057</u>
		<u>\$ 2,202,453</u>
	December 31	December 31
	1966	1965
CURRENT ASSETS .....	\$ 8,156,567	\$ 6,497,044
CURRENT LIABILITIES .....	2,971,523	3,514,453
	<u>\$ 5,185,044</u>	<u>\$ 2,982,591</u>
		\$ 2,202,453



CONSUMERS GLASS COMPANY LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 1966

1. The subsidiaries are wholly owned and the financial statements include their accounts.

2. *Funded debt*

First Mortgage Sinking Fund Bonds

Series A, 5% due September 1, 1968 .....	\$ 791,000
Series B, 5½% due June 15, 1978 .....	2,025,000
Series C, 7¼% due September 30, 1986 .....	3,500,000
6% Debentures due September 30, 1976 .....	250,000
	<hr/>
	6,566,000
Included in current liabilities .....	291,000
	<hr/>
	<u>\$6,275,000</u>

3. The Sinking Fund requirements of the First Mortgage Bonds are as follows:

Series A: September 1, 1967, \$300,000 with balance payable September 1, 1968.

Series B: Annually to June 15, 1968, \$50,000 and from June 15, 1969 to 1977, \$200,000 with balance payable June 15, 1978.

Series C: Annually from September 30, 1971 to 1978, \$100,000, from September 30, 1979 to 1984, \$250,000, September 30, 1985, \$350,000, with balance payable September 30, 1986.

Advance payments have been made against the above requirements, comprising \$9,000 Series A bonds and \$125,000 Series B bonds.

4. 12,000 shares are under option under the Company's Stock Option Plan for employees at 95% of market price at date options were granted, expiring in 1973.

5. During the year, 97,153 shares were issued for cash under stock option agreements.

6. Based on engineering studies, the company reduced the rate of depreciation during the year on certain buildings and machinery. Had these rates not been changed, an additional \$129,220 of depreciation would have been recorded in 1966.

7. Under the terms of the agreement to purchase the shares of Brentwood Containers Limited, the maximum price was \$961,500 of which \$711,500 has been paid in cash and by the issue of 6% debentures. The balance to be paid (by the issue of income debentures) is dependent on the level of the subsidiary's profits for the next three years. An undertaking to redeem the 6% debentures and the income debentures before maturity is also dependent upon future profits of the subsidiary. These contingencies are not reflected in the financial statements.



CONSUMERS GLASS COMPANY LIMITED  
(Incorporated under the Canada Corporations Act)

PRO-FORMA CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1966  
(After giving effect to the acquisition of the assets of the Iroquois Glass Division of Sogemines Limited)

A S S E T S

CURRENT		1966	1965
Cash and deposit receipts .....	\$ 687,298		\$ 16,029
Accounts receivable .....	2,133,005		1,255,595
Marketable securities at cost (quoted market value— 1966, \$215,490; 1965, \$222,625) .....	250,000		250,988
Inventories at the lower of cost or market .....	4,882,567		4,792,921
Prepaid expenses .....	203,697		181,511
Deposit re Iroquois Glass Working Capital .....	1,250,000		
		\$ 9,406,567	6,497,044
SPECIAL REFUNDABLE TAX .....		76,178	—
FIXED			
Iroquois Glass land, buildings and machinery, at cost ..	9,926,000		
Land, buildings, and machinery, at cost .....	23,214,084	33,140,084	19,976,291
Less accumulated depreciation .....		10,673,265	9,613,006
		22,466,819	10,363,285
Unamortized furnace relining costs .....		683,656	497,062
		23,150,475	10,860,347
GOODWILL, at cost .....		526,532	—
		<u>\$33,159,752</u>	<u>\$17,357,391</u>

J. D. MINGAY, Director

B. H. RIEGER, Director

CONSUMERS GLASS COMPANY LIMITED  
(Incorporated under the Canada Corporations Act)

PRO-FORMA CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1966  
(After giving effect to the acquisition of the assets of the Iroquois Glass Division of Sogemines Limited)

L I A B I L I T I E S

CURRENT		1966	1965
Bank indebtedness (secured) .....	—		\$ 1,119,320
Accounts payable and accrued liabilities .....	\$ 2,234,777		1,846,796
Bond interest .....	81,278		23,487
Income taxes .....	364,468		224,850
Current portion of funded debt .....	291,000		300,000
		\$ 2,971,523	3,514,453
6% BANK LOAN DUE JUNE, 1969 (secured) .....		6,000,000	1,000,000
FUNDED DEBT (Notes 2 and 3) .....		12,451,000	2,950,000
ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEARS .....		2,872,122	2,370,000

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK			
Common shares—no par value			
Authorized, 1,900,000 shares (Note 4)			
Issued, 1,648,557 shares (Note 5) .....	3,144,764		2,537,558
RETAINED EARNINGS .....	5,720,343		4,985,380
		8,865,107	7,522,938
		<u>\$33,159,752</u>	<u>\$17,357,391</u>



CONSUMERS GLASS COMPANY LIMITED  
NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 1966

1. The subsidiaries are wholly owned and the financial statements include their accounts.

2. *Funded debt*

First Mortgage Sinking Fund Bonds

Series A, 5% due September 1, 1968 .....	\$ 791,000
Series B, 5½ % due June 15, 1978 .....	2,025,000
Series C, 7¼ % due September 30, 1986 .....	3,500,000
6% Debentures due September 30, 1976 .....	250,000
6¾ % Debentures due March 31, 1973 .....	6,176,000
	<u>12,742,000</u>
Included in current liabilities .....	291,000
	<u>\$12,451,000</u>

3. (a) The Sinking Fund requirements of the First Mortgage Bonds are as follows:

Series A: September 1, 1967, \$300,000 with balance payable September 1, 1968.

Series B: Annually to June 15, 1968, \$50,000 and from June 15, 1969 to 1977, \$200,000 with balance payable June 15, 1978.

Series C: Annually from September 30, 1971 to 1978, \$100,000, from September 30, 1979 to 1984, \$250,000, September 30, 1985 \$350,000, with balance payable September 30, 1986.

Advance payments have been made against the above requirements, comprising \$9,000 Series A bonds and \$125,000 Series B bonds.

(b) Retirement of the 6¾ % Debentures due March 31, 1973 requires annual payments of \$1,000,000 from March 31, 1968 to 1972 with the balance payable on March 31, 1973.

4. 12,000 shares are under option under the Company's Stock Option Plan for employees at 95% of market price at date options were granted, expiring in 1973.

5. During the year, 97,153 shares were issued for cash under stock option agreements.

6. Based on engineering studies, the company reduced the rate of depreciation during the year on certain buildings and machinery. Had these rates not been changed, an additional \$129,220 of depreciation would have been recorded in 1966.

7. Under the terms of the agreement to purchase the shares of Brentwood Containers Limited, the maximum price was \$961,500 of which \$711,500 has been paid in cash and by the issue of 6% debentures. The balance to be paid (by the issue of income debentures) is dependent on the level of the subsidiary's profits for the next three years. An undertaking to redeem the 6% debentures and the income debentures before maturity is also dependent upon future profits of the subsidiary. These contingencies are not reflected in the financial statements.

8. Under the terms of the agreement to purchase the fixed assets and working capital of the Iroquois Glass division of Sogemines Limited, the price to be paid for working capital will not be determined until September 30, 1968, pending proper valuation of the inventories purchased on March 31, 1967. A 6¾ % debenture for \$1,250,000 has been issued as a deposit against working capital which debenture will be adjusted on September 30, 1968 to reflect its final valuation.

9. The fixed assets shown in the Balance Sheet at a net depreciated value of \$23,150,475 are currently insured for approximately \$39,500,000.



CONSUMERS GLASS COMPANY LIMITED  
PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED AUGUST 31

	FOUR MONTHS ENDING DEC. 31, 1965	%	1965	%	1964	%	1963	%	1962	%	1961	%
GROSS SALES .....	\$ 7,114,917		\$19,181,912		\$16,773,202		\$17,729,339		\$18,699,462		\$14,202,167	
Deduct: Freight on Sales, Royalties and Rebates .....	383,306		919,468		858,699		916,223		922,030		801,729	
NET SALES .....	6,731,611	100.0	18,262,444	100.0	15,914,503	100.0	16,813,116	100.0	17,777,432	100.0	13,400,438	100.0
Cost of Sales .....	4,781,192	71.0	12,959,754	71.0	11,153,386	70.1	12,030,532	71.6	13,415,203	75.5	10,792,559	80.5
GROSS MARGIN .....	1,950,419	29.0	5,302,690	29.0	4,761,117	29.9	4,782,584	28.4	4,362,229	24.5	2,607,879	19.5
Distribution Expense .....	579,164	8.6	1,504,284	8.2	1,332,177	8.4	1,391,538	8.3	1,285,802	7.2	1,088,371	8.2
GROSS PROFIT .....	1,371,255	20.4	3,798,406	20.8	3,428,940	21.5	3,391,046	20.1	3,076,427	17.3	1,519,508	11.3
Selling Expense .....	233,797	3.5	648,128	3.6	564,965	3.5	547,182	3.2	502,846	2.8	501,231	3.7
Administration Expense .....	396,616	5.9	1,116,015	6.1	1,039,325	6.5	1,026,430	6.1	1,016,421	5.7	746,816	5.6
Financial Expense (Net) .....	630,413	9.4	1,764,143	9.7	1,604,290	10.0	1,573,612	9.3	1,519,267	8.5	1,248,047	9.3
	111,204	1.7	365,772	2.0	447,633	2.8	319,853	1.9	401,451	2.3	214,242	1.6
PROFIT BEFORE TAXES .....	629,638	9.3	1,668,491	9.1	1,377,017	8.7	1,497,581	8.9	1,155,709	6.5	57,219	.4
Provision for Taxes .....	353,000	5.2	862,000	4.7	676,000	4.3	751,000	4.5	507,000	3.0	15,565	.1
NET PROFIT AFTER TAXES .....	276,638	4.1	806,491	4.4	701,017	4.4	746,581	4.4	648,709	3.5	41,654	.3
GROSS SOLD .....	1,060,459		2,899,153		2,456,221		2,593,990		2,832,102		2,158,780	
TONS SOLD .....	51,371		136,091		117,829		128,933		135,025		108,534	